

UNIFIED SCHOOL DISTRICT NO. 379

Clay Center, Kansas

Financial Statements

For the Year Ended June 30, 2014

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UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
Financial Statements
For the Year Ended June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 379
Clay Center, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 379, Clay Center, Kansas, (the District), as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, and the schedule of receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mig Houser & Company PA

Certified Public Accountants

October 2, 2014
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 379
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ -	\$ -	\$ 8,732,224	\$ 8,726,800	\$ 5,424	\$ 69,985	\$ 75,409
Supplemental General	54,034	-	2,946,248	2,872,665	127,617	14,276	141,893
Special Purpose Funds:							
At Risk (K-12)	190,363	-	756,086	749,422	197,027	-	197,027
Bilingual Education	19,571	-	4,606	16,412	7,765	-	7,765
Virtual Education	24,050	-	110,001	82,528	51,523	-	51,523
Capital Outlay	800,000	-	196,420	389,095	607,325	244,435	851,760
Driver Training	76,545	-	32,989	47,609	61,925	-	61,925
Contingency Reserve	415,404	-	20,000	32,792	402,612	32,792	435,404
Food Service	217,259	-	753,330	781,930	188,659	850	189,509
Professional Development	37,807	-	10,000	5,646	42,161	-	42,161
Parent Education	14,917	-	103,678	108,374	10,221	8,240	18,461
Special Education	778,709	-	1,739,408	1,747,239	770,878	-	770,878
Vocational Education	159,749	-	425,031	434,003	150,777	6,911	157,688
Special Education Cooperative	305,589	-	4,932,258	4,694,318	543,529	4,118	547,647
KPERS Retirement							
Contribution	-	-	1,057,800	1,057,800	-	-	-
Textbook Rental	241,210	-	52,388	31,386	262,212	256	262,468
Gifts and Grants	16,158	-	33,547	33,337	16,368	1,777	18,145
Grants	96,730	-	811,852	833,360	75,222	74,944	150,166
District Activity	16,809	-	140,443	140,598	16,654	-	16,654
Bond and Interest Fund:							
Bond and Interest	641,678	-	529,868	527,143	644,403	-	644,403
Total Reporting Entity (Excluding Agency Funds)	\$ 4,106,582	\$ -	\$ 23,388,177	\$ 23,312,457	\$ 4,182,302	\$ 458,584	\$ 4,640,886

Composition of Cash

Union State Bank	Checking	\$ 3,249,677
	Total Union State Bank	3,249,677
United Bank & Trust	Checking	1,465,333
	Total United Bank & Trust	1,465,333
Farmers & Merchants Bank	Checking	29,657
	Total Farmers & Merchants Bank	29,657
	Total Cash	4,744,667
	Less Agency Funds per Schedule 3	[103,781]
	Total Reporting Entity (Excluding Agency Funds)	\$ 4,640,886

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 379 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$286,599 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2014:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2014 was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for agency funds, and the following special purpose funds: Contingency Reserve, Textbook Rental, Gate Receipts and School Projects.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2014, the District held no such investments.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2014.

At June 30, 2014, the District's carrying amount of deposits was \$4,744,667 and the bank balance was \$6,048,912. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$530,192 was covered by federal depository insurance and the balance of \$5,518,720 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Substance receipt in transit. The District received \$662,571 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE 3 - Long-term Debt

General Obligation Bonds. The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

<u>Issue</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Paid for by revenues:					
General Obligation Bonds					
Series 2005-A Refunding	12/15/2005	2020	3.50 - 4.250%	<u>\$ 3,795,000</u>	<u>\$ 2,845,000</u>
				<u>\$ 3,795,000</u>	<u>\$ 2,845,000</u>

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 3 – Long-term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

General Obligation Bonds			
<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2014-15	\$ 430,000	\$ 99,830	\$ 529,830
2015-16	445,000	82,330	527,330
2016-17	465,000	64,944	529,944
2017-18	480,000	47,577	527,577
2018-19	505,000	29,229	534,229
2019-20	520,000	9,880	529,880
Total	\$ 2,845,000	\$ 333,790	\$ 3,178,790

Following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
Paid for by revenues:					
General Obligation Bonds					
Series 2005-A Refunding	\$ 3,255,000	\$ -	\$ 410,000	\$ 2,845,000	\$ 117,143
Totals	\$ 3,255,000	\$ -	\$ 410,000	\$ 2,845,000	\$ 117,143

NOTE 4 – Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of equipment.

During the year ended June 30, 2014, the following changes occurred in capital leases:

	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
Capital Leases					
Computers	\$ 136,111	\$ 241,700	\$ 106,660	\$ 271,151	\$ 2,586
Copiers	1,807	-	1,807	-	11
Totals	\$ 137,918	\$ 241,700	\$ 108,467	\$ 271,151	\$ 2,597

Annual debt service requirements to maturity for capital leases are as follows:

Capital Leases			
<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2014-15	\$ 104,095	\$ 5,152	\$ 109,247
2015-16	106,073	3,175	109,248
2016-17	60,983	1,159	62,142
Total	\$ 271,151	\$ 9,486	\$ 280,637

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 5 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4%-5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2014, 2013, and 2012 were \$1,057,800, \$933,253, and \$1,072,018 respectively, equal to the required contributions for each year.

NOTE 6 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Parent Education	K.S.A. 72-6428	\$ 23,600
General	Capital Outlay	K.S.A. 72-6428	75,996
General	Contingency Reserve	K.S.A. 72-6428	20,000
General	Professional Development	K.S.A. 72-6428	10,000
General	Special Education	K.S.A. 72-6428	1,189,408
General	Virtual Education	K.S.A. 72-6428	28,401
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	756,086
Supplemental General	Bilingual Education	K.S.A. 72-6433	4,606
Supplemental General	Driver Training	K.S.A. 72-6433	10,000
Supplemental General	Food Service	K.S.A. 72-6433	14,635
Supplemental General	Special Education	K.S.A. 72-6433	550,000
Supplemental General	Vocational Education	K.S.A. 72-6433	405,000
Supplemental General	Virtual Education	K.S.A. 72-6433	81,600
Special Education	Special Education Cooperative	K.S.A. 72-6420	<u>1,670,774</u>
Total			<u>\$ 4,840,106</u>

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 7 - Compensated Absences

Classified personnel employed on a twelve month full-time status are eligible for a paid two week vacation. Vacation days may not be carried over from one fiscal year to another.

Payment for accumulated unused sick leave to a maximum of 60 days will be made upon retirement, death, or reduction in force. Payment will be based on the total number of full years of service in USD No. 379, less the number of prior years of service for which payment has been made. The rate of payment will be determined by the daily rate in effect at the time of retirement. The total number of full years of service and the reimbursement schedule is as follows:

<u>Number of Full Year of Service</u>	<u>Rate of Payment (Percentage of Daily Base Pay Rate)</u>
0 - 3	0%
4 - 9	15%
10 - 19	20%
20 - 29	25%
30 +	30%

The District has not recorded or computed this liability.

NOTE 8 - Termination Benefits

As provided by K.S.A 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

NOTE 9 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

NOTE 10 - Commitments Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2014.

NOTE 11 - Related Party Transactions

During the year ended June 30, 2014, the District paid \$29,075 for fuel and \$24,645 for heating and air and other maintenance services to companies owned by District board members.

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 12 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 13 – Subsequent Event

In July, 2014, the District entered into a lease agreement as lessee for financing the acquisition of computer equipment in the amount of \$206,586. The District will make the first payment on the lease on August 1, 2014 and the last payment on August 1, 2017. The interest rate on the lease is 2.92%.

UNIFIED SCHOOL DISTRICT NO. 379
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Maximum Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 8,721,087	\$ [280,886]	\$ 286,599	\$ 8,726,800	\$ 8,726,800	\$ -
Supplemental General	2,956,465	[83,800]	-	2,872,665	2,872,665	-
Special Purpose Funds:						
At Risk (K-12)	830,000	-	-	830,000	749,422	80,578
Bilingual Education	21,000	-	-	21,000	16,412	4,588
Virtual Education	132,051	-	-	132,051	82,528	49,523
Capital Outlay	1,085,000	-	-	1,085,000	389,095	695,905
Driver Training	62,300	-	-	62,300	47,609	14,691
Food Service	822,700	-	-	822,700	781,930	40,770
Professional Development	41,000	-	-	41,000	5,646	35,354
Parent Education	116,917	-	-	116,917	108,374	8,543
Special Education	2,036,919	-	-	2,036,919	1,747,239	289,680
Vocational Education	454,500	-	-	454,500	434,003	20,497
Special Education Cooperative	5,218,792	-	-	5,218,792	4,694,318	524,474
KPERS Retirement Contribution	1,175,899	-	-	1,175,899	1,057,800	118,099
Gifts and Grants	116,000	-	-	116,000	33,337	82,663
Grants	770,752	-	-	770,752	833,360	[62,608]
Debt Service Fund:						
Bond and Interest	527,143	-	-	527,143	527,143	-

UNIFIED SCHOOL DISTRICT NO. 379
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Ad valorem taxes	\$ 1,332,492	\$ 1,271,806	\$ 60,686
Delinquent taxes	13,589	13,415	174
Federal aid	16,618	-	16,618
General state aid	5,893,518	6,028,066	[134,548]
Special education aid	1,189,408	1,407,800	[218,392]
Reimbursements	286,599	-	286,599
Total Receipts	<u>8,732,224</u>	<u>\$ 8,721,087</u>	<u>\$ 11,137</u>
Expenditures			
Instruction	3,667,480	\$ 3,364,426	\$ [303,054]
Student support services	245,473	243,000	[2,473]
Instructional support services	209,386	205,500	[3,886]
General administration	408,263	445,000	36,737
School administration	811,204	801,500	[9,704]
Other support services - business and administration	79,065	70,700	[8,365]
Operations and maintenance	1,396,830	1,377,560	[19,270]
Student transportation services	561,694	548,000	[13,694]
Transfers	1,347,405	1,665,401	317,996
Adjustment to Comply with Legal Maximum Budget	-	[280,886]	[280,886]
Adjustment for Qualifying Budget Credits	-	286,599	286,599
Total Expenditures	<u>8,726,800</u>	<u>\$ 8,726,800</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	5,424		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 5,424</u>		

UNIFIED SCHOOL DISTRICT NO. 379
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Ad valorem taxes	\$ 1,560,596	\$ 1,463,780	\$ 96,816
Delinquent taxes	18,742	15,397	3,345
Motor vehicle taxes	194,639	186,564	8,075
Miscellaneous	-	50,000	[50,000]
State aid	1,172,271	1,186,690	[14,419]
Total Receipts	<u>2,946,248</u>	<u>\$ 2,902,431</u>	<u>\$ 43,817</u>
Expenditures			
Instruction	675,263	\$ 1,172,665	\$ 497,402
Student support services	102,000	102,500	500
Instructional support services	-	5,000	5,000
General administration	145,627	120,000	[25,627]
School administration	66,002	5,500	[60,502]
Operations and maintenance	61,846	126,207	64,361
Transfers	1,821,927	1,424,593	[397,334]
Adjustment to Comply with Legal Maximum Budget	-	[83,800]	[83,800]
Total Expenditures	<u>2,872,665</u>	<u>\$ 2,872,665</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	73,583		
Unencumbered Cash, Beginning	<u>54,034</u>		
Unencumbered Cash, Ending	<u>\$ 127,617</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 756,086	\$ 741,993	\$ 14,093
Total Receipts	<u>756,086</u>	<u>\$ 741,993</u>	<u>\$ 14,093</u>
Expenditures			
Instruction	<u>749,422</u>	\$ 830,000	\$ 80,578
Total Expenditures	<u>749,422</u>	<u>\$ 830,000</u>	<u>\$ 80,578</u>
Total Expenditures	6,664		
Receipts Over [Under] Expenditures	<u>190,363</u>		
Unencumbered Cash, Ending	<u>\$ 197,027</u>		

UNIFIED SCHOOL DISTRICT NO. 379
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 4,606	\$ 6,000	\$ [1,394]
Total Receipts	<u>4,606</u>	<u>\$ 6,000</u>	<u>\$ [1,394]</u>
Expenditures			
Instruction	<u>16,412</u>	<u>\$ 21,000</u>	<u>\$ 4,588</u>
Total Expenditures	<u>16,412</u>	<u>\$ 21,000</u>	<u>\$ 4,588</u>
Receipts Over [Under] Expenditures	[11,806]		
Unencumbered Cash, Beginning	<u>19,571</u>		
Unencumbered Cash, Ending	<u>\$ 7,765</u>		

See independent auditor's report on the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 379
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 110,001	\$ 100,101	\$ 9,900
Reimbursements	-	8,000	[8,000]
Total Receipts	<u>110,001</u>	<u>\$ 108,101</u>	<u>\$ 1,900</u>
Expenditures			
Instruction	82,001	\$ 116,500	\$ 34,499
School administration	527	15,551	15,024
Total Expenditures	<u>82,528</u>	<u>\$ 132,051</u>	<u>\$ 49,523</u>
Receipts Over [Under] Expenditures	27,473		
Unencumbered Cash, Beginning	<u>24,050</u>		
Unencumbered Cash, Ending	<u>\$ 51,523</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 25,202	\$ 10,000	\$ 15,202
Miscellaneous	76,652	200,000	[123,348]
Interest income	18,570	25,000	[6,430]
Transfers	75,996	50,000	25,996
Total Receipts	<u>196,420</u>	<u>\$ 285,000</u>	<u>\$ [88,580]</u>
Expenditures			
Instruction	871	\$ 50,000	\$ 49,129
General administration	714	5,000	4,286
Operations and maintenance	56,563	150,000	93,437
Student transportation services	-	150,000	150,000
Facility acquisition and construction services	330,947	730,000	399,053
Total Expenditures	<u>389,095</u>	<u>\$ 1,085,000</u>	<u>\$ 695,905</u>
Receipts Over [Under] Expenditures	[192,675]		
Unencumbered Cash, Beginning	<u>800,000</u>		
Unencumbered Cash, Ending	<u>\$ 607,325</u>		

UNIFIED SCHOOL DISTRICT NO. 379
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 7,565	\$ 9,200	\$ [1,635]
Charges for services	15,424	15,000	424
Transfers in	10,000	-	10,000
Total Receipts	<u>32,989</u>	<u>\$ 24,200</u>	<u>\$ 8,789</u>
Expenditures			
Instruction	27,491	\$ 47,300	\$ 19,809
Operations and maintenance	<u>20,118</u>	<u>15,000</u>	<u>[5,118]</u>
Total Expenditures	<u>47,609</u>	<u>\$ 62,300</u>	<u>\$ 14,691</u>
Receipts Over [Under] Expenditures	[14,620]		
Unencumbered Cash, Beginning	<u>76,545</u>		
Unencumbered Cash, Ending	<u>\$ 61,925</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Contingency Reserve Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2014

Receipts	
Transfers	<u>\$ 20,000</u>
Total Receipts	<u>20,000</u>
Expenditures	
Operations and maintenance	<u>32,792</u>
Total Expenditures	<u>32,792</u>
Receipts Over [Under] Expenditures	[12,792]
Unencumbered Cash, Beginning	<u>415,404</u>
Unencumbered Cash, Ending	<u>\$ 402,612</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 379
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>
Receipts			
Federal aid	\$ 375,756	\$ 330,159	\$ 45,597
State aid	8,271	6,840	1,431
Charges for services	348,232	373,285	[25,053]
Miscellaneous	6,436	10,000	[3,564]
Transfers	14,635	20,000	[5,365]
Total Receipts	<u>753,330</u>	<u>\$ 740,284</u>	<u>\$ 13,046</u>
Expenditures			
Food service operation	781,930	\$ 787,500	\$ 5,570
Operations and maintenance	-	35,200	35,200
Total Expenditures	<u>781,930</u>	<u>\$ 822,700</u>	<u>\$ 40,770</u>
Receipts Over [Under] Expenditures	[28,600]		
Unencumbered Cash, Beginning	<u>217,259</u>		
Unencumbered Cash, Ending	<u>\$ 188,659</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 10,000	\$ 10,000	\$ -
Total Receipts	<u>10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Expenditures			
Instruction	3,369	\$ -	\$ [3,369]
Instructional support services	712	11,000	10,288
Other support services - business and administration	1,565	30,000	28,435
Total Expenditures	<u>5,646</u>	<u>\$ 41,000</u>	<u>\$ 35,354</u>
Receipts Over [Under] Expenditures	4,354		
Unencumbered Cash, Beginning	<u>37,807</u>		
Unencumbered Cash, Ending	<u>\$ 42,161</u>		

UNIFIED SCHOOL DISTRICT NO. 379
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 62,601	\$ 62,000	\$ 601
Miscellaneous	17,477	20,000	[2,523]
Transfers	23,600	20,000	3,600
Total Receipts	<u>103,678</u>	<u>\$ 102,000</u>	<u>\$ 1,678</u>
Expenditures			
Instruction	102,647	\$ 116,917	\$ 14,270
Instructional support services	5,727	-	[5,727]
Total Expenditures	<u>108,374</u>	<u>\$ 116,917</u>	<u>\$ 8,543</u>
Receipts Over [Under] Expenditures	[4,696]		
Unencumbered Cash, Beginning	<u>14,917</u>		
Unencumbered Cash, Ending	<u>\$ 10,221</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 1,739,408	\$ 1,725,000	\$ 14,408
Total Receipts	<u>1,739,408</u>	<u>\$ 1,725,000</u>	<u>\$ 14,408</u>
Expenditures			
Instruction	300	\$ 1,932,419	\$ 1,932,119
Instructional support services	95	-	[95]
Student transportation services	76,070	104,500	28,430
Transfers	<u>1,670,774</u>	-	<u>[1,670,774]</u>
Total Expenditures	<u>1,747,239</u>	<u>\$ 2,036,919</u>	<u>\$ 289,680</u>
Receipts Over [Under] Expenditures	[7,831]		
Unencumbered Cash, Beginning	<u>778,709</u>		
Unencumbered Cash, Ending	<u>\$ 770,878</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Miscellaneous	\$ 20,031	\$ 15,000	\$ 5,031
Transfers	<u>405,000</u>	<u>397,000</u>	<u>8,000</u>
Total Receipts	<u>425,031</u>	<u>\$ 412,000</u>	<u>\$ 13,031</u>
Expenditures			
Instruction	400,070	\$ 429,500	\$ 29,430
Instructional support services	<u>33,933</u>	<u>25,000</u>	<u>[8,933]</u>
Total Expenditures	<u>434,003</u>	<u>\$ 454,500</u>	<u>\$ 20,497</u>
Receipts Over [Under] Expenditures	[8,972]		
Unencumbered Cash, Beginning	<u>159,749</u>		
Unencumbered Cash, Ending	<u>\$ 150,777</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Special Education Cooperative Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 607,716	\$ 661,202	\$ [53,486]
State aid	1,830,204	2,389,681	[559,477]
Contributions	582,727	-	582,727
Reimbursements	220,336	175,000	45,336
Miscellaneous	20,501	-	20,501
Transfers	<u>1,670,774</u>	<u>1,732,076</u>	<u>[61,302]</u>
Total Receipts	<u>4,932,258</u>	<u>\$ 4,957,959</u>	<u>\$ [25,701]</u>
Expenditures			
Instruction	3,285,245	\$ 3,685,000	\$ 399,755
Student support services	1,140,347	1,234,000	93,653
Instructional support services	27,292	32,550	5,258
General administration	220,709	219,500	[1,209]
School administration	-	25,242	25,242
Operations and maintenance	<u>20,725</u>	<u>22,500</u>	<u>1,775</u>
Total Expenditures	<u>4,694,318</u>	<u>\$ 5,218,792</u>	<u>\$ 524,474</u>
Receipts Over [Under] Expenditures	237,940		
Unencumbered Cash, Beginning	<u>305,589</u>		
Unencumbered Cash, Ending	<u>\$ 543,529</u>		

UNIFIED SCHOOL DISTRICT NO. 379
KPERs Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 1,057,800	\$ 1,175,899	\$ [118,099]
Total Receipts	<u>1,057,800</u>	<u>\$ 1,175,899</u>	<u>\$ [118,099]</u>
Expenditures			
Instruction	699,538	\$ 723,000	\$ 23,462
Student support services	95,202	125,000	29,798
Instructional support services	21,156	50,000	28,844
General administration	31,734	30,000	[1,734]
School administration	63,468	60,000	[3,468]
Other support services	10,578	20,000	9,422
Operations and maintenance	42,312	50,000	7,688
Student transportation services	54,492	58,663	4,171
Food service	39,320	59,236	19,916
Total Expenditures	<u>1,057,800</u>	<u>\$ 1,175,899</u>	<u>\$ 118,099</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Textbook Rental Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2014

Receipts	
Charges for services	\$ 52,388
Total Receipts	<u>52,388</u>
Expenditures	
Instruction	31,038
Instructional support services	<u>348</u>
Total Expenditures	<u>31,386</u>
Receipts Over [Under] Expenditures	21,002
Unencumbered Cash, Beginning	<u>241,210</u>
Unencumbered Cash, Ending	<u>\$ 262,212</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 379
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>
Receipts			
Miscellaneous	\$ 33,547	\$ 100,000	\$ [66,453]
Total Receipts	<u>33,547</u>	<u>\$ 100,000</u>	<u>\$ [66,453]</u>
Expenditures			
Instruction	7,061	\$ 36,000	\$ 28,939
Student support services	-	70,000	70,000
Instructional support services	6,276	10,000	3,724
Operations and maintenance	<u>20,000</u>	<u>-</u>	<u>[20,000]</u>
Total Expenditures	<u>33,337</u>	<u>\$ 116,000</u>	<u>\$ 82,663</u>
Receipts Over [Under] Expenditures	210		
Unencumbered Cash, Beginning	<u>16,158</u>		
Unencumbered Cash, Ending	<u>\$ 16,368</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Title I</u>	<u>Title II-A Teacher Quality</u>	<u>ECSE</u>
Receipts			
Federal aid	\$ 187,962	\$ 61,739	\$ 28,552
Other local receipts	-	-	-
Total Receipts	<u>187,962</u>	<u>61,739</u>	<u>28,552</u>
Expenditures			
Instruction	187,413	41,659	28,552
Student support services	-	-	-
Instructional support services	549	1,476	-
General administration	-	-	-
School administration	-	15,910	-
Other support services	-	-	-
Operations and maintenance	-	-	-
Total Expenditures	<u>187,962</u>	<u>59,045</u>	<u>28,552</u>
Receipts Over [Under] Expenditures	-	2,694	-
Unencumbered Cash, Beginning	-	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 2,694</u>	<u>\$ -</u>

<u>Title VI-B</u>	<u>Title IV Project Lead</u>	<u>RPOS</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Positive [Negative]</u>
\$ 25,342	\$ 404,652	\$ 75,000	\$ 783,247	\$ 674,022	\$ 109,225
-	28,605	-	28,605	-	28,605
25,342	433,257	75,000	811,852	\$ 674,022	\$ 137,830
-	389,415	65,263	712,302	\$ 711,000	\$ [1,302]
-	66,580	-	66,580	31,452	[35,128]
-	-	-	2,025	3,000	975
-	1,464	-	1,464	300	[1,164]
25,342	-	-	41,252	15,000	[26,252]
-	-	9,329	9,329	6,000	[3,329]
-	-	408	408	4,000	3,592
25,342	457,459	75,000	833,360	\$ 770,752	\$ [62,608]
-	[24,202]	-	[21,508]		
-	96,730	-	96,730		
\$ -	\$ 72,528	\$ -	\$ 75,222		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Ad valorem taxes	\$ 284,814	\$ 276,077	\$ 8,737
Delinquent taxes	4,177	3,135	1,042
Motor vehicle taxes	45,834	40,782	5,052
State aid	<u>195,043</u>	<u>195,043</u>	<u>-</u>
Total Receipts	<u>529,868</u>	<u>\$ 515,037</u>	<u>\$ 14,831</u>
Expenditures			
Interest	117,143	\$ 117,143	\$ -
Principal	<u>410,000</u>	<u>410,000</u>	<u>-</u>
Total Expenditures	<u>527,143</u>	<u>\$ 527,143</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	2,725		
Unencumbered Cash, Beginning	<u>641,678</u>		
Unencumbered Cash, Ending	<u>\$ 644,403</u>		

UNIFIED SCHOOL DISTRICT NO. 379
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
ELEMENTARY SCHOOLS				
Lincoln Elementary				
Student fundraiser	\$ 1,360	\$ 5,051	\$ 2,354	\$ 4,057
Library book	375	2,935	1,632	1,678
Petty cash	500	545	545	500
Total Lincoln Elementary	<u>2,235</u>	<u>8,531</u>	<u>4,531</u>	<u>6,235</u>
Garfield Elementary				
Book fair	149	3,004	3,003	150
Yearbook	442	4,520	3,857	1,105
Miscellaneous	29	599	446	182
Petty cash	500	978	978	500
Total Garfield Elementary	<u>1,120</u>	<u>9,101</u>	<u>8,284</u>	<u>1,937</u>
TOTAL ELEMENTARY SCHOOL ACTIVITY FUNDS	<u>3,355</u>	<u>17,632</u>	<u>12,815</u>	<u>8,172</u>
MIDDLE SCHOOL FUNDS				
Clay Center Community Middle School				
Student council	6,692	8,762	9,170	6,284
Library	124	3,866	3,763	227
Literacy	40	3,463	3,274	229
Jazz band	119	-	-	119
Petty cash	750	2,350	2,379	721
Sales tax	246	1,309	1,326	229
Student incentive	466	11,141	11,062	545
Mentor program	972	3,411	3,326	1,057
Total Clay Center Community Middle School	<u>9,409</u>	<u>34,302</u>	<u>34,300</u>	<u>9,411</u>
Wakefield School				
Cheerleaders	1,770	11,517	6,603	6,684
Jr. High cheerleaders	1,812	46	315	1,543
Class of 2013	1,053	-	1,053	-
Class of 2014	1,051	-	955	96
Class of 2015	1,560	3,215	3,859	916
Class of 2016	1,008	2,031	1,209	1,830
Class of 2017	90	717	33	774
Class of 2018	75	-	-	75
Class of 2020	-	85	-	85
Book fair	-	1,701	1,701	-
Drama	171	-	-	171
Envirothon	1,081	151	-	1,232
Miscellaneous	2,611	10,832	8,771	4,672
Music	915	1,934	2,812	37
P.L.A.Y.S.	500	-	-	500
Cross country	219	3,861	3,494	586
National honor society	197	859	878	178
Petty cash	700	5,873	5,323	1,250
Photo club	373	-	373	-
Quiz bowl	77	-	-	77
SADD	970	-	133	837
Yearbook	4,361	7,930	7,900	4,391
Renaissance	1,053	789	889	953
FCA	52	469	470	51
Library	189	159	15	333
Concessions	1,066	9,435	9,312	1,189
Spanish club	65	-	-	65
Shop	-	1,868	1,868	-
Sales tax	-	1,869	1,747	122
Total Wakefield School	<u>23,019</u>	<u>65,341</u>	<u>59,713</u>	<u>28,647</u>
TOTAL MIDDLE SCHOOL ACTIVITY FUNDS	<u>32,428</u>	<u>99,643</u>	<u>94,013</u>	<u>38,058</u>

UNIFIED SCHOOL DISTRICT NO. 379
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL FUNDS				
Clay Center Community High School				
ACT	\$ 775	\$ 2,224	\$ 2,234	\$ 765
Art society	551	2,530	2,471	610
Class of 2014	1,897	-	1,897	-
Class of 2015	-	9,281	7,334	1,947
Class of 2016	-	372	162	210
Drama club	1,269	-	130	1,139
FBLA	115	35	-	150
FFA	3,710	42,404	39,125	6,989
FCCLA	155	7,594	5,008	2,741
Envirothon	1,578	250	1,410	418
Cheerleaders	1,138	6,012	2,465	4,685
National Honor Society	52	210	26	236
Stardusters	1,002	19,177	16,344	3,835
Student council	2,061	5,176	5,562	1,675
SADD	226	-	-	226
Renaissance	1,072	5,718	5,775	1,015
Yearbook	10,902	18,373	12,209	17,066
Library	2,336	152	-	2,488
Scholarships and memorials	2,000	3,500	3,500	2,000
Petty cash	750	2,716	2,716	750
Tiger prints	100	10,337	7,440	2,997
Humanities	-	665	321	344
TNT	-	2,317	1,501	816
Sales tax	4,114	7,138	11,209	43
Total Clay Center Community High School	<u>35,803</u>	<u>146,181</u>	<u>128,839</u>	<u>53,145</u>
TOTAL HIGH SCHOOL ACTIVITY FUNDS	<u>35,803</u>	<u>146,181</u>	<u>128,839</u>	<u>53,145</u>
OTHER AGENCY FUNDS				
Payroll Clearing Fund	<u>95,952</u>	<u>177,490</u>	<u>269,036</u>	<u>4,406</u>
TOTAL OTHER AGENCY FUNDS	<u>95,952</u>	<u>177,490</u>	<u>269,036</u>	<u>4,406</u>
TOTAL AGENCY FUNDS	<u>\$ 167,538</u>	<u>\$ 440,946</u>	<u>\$ 504,703</u>	<u>\$ 103,781</u>

UNIFIED SCHOOL DISTRICT NO. 379
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
District Activity Funds						
Clay Center Community						
High School						
Gate Receipts	\$ 13,512	\$ 112,970	\$ 111,995	\$ 14,487	\$ -	\$ 14,487
School Projects	1,137	3,175	3,787	525	-	525
Clay Center Community						
Middle School						
Gate Receipts	1,809	10,656	11,834	631	-	631
Wakefield School						
Gate Receipts	351	13,642	12,982	1,011	-	1,011
Total District Activity Funds	<u>\$ 16,809</u>	<u>\$ 140,443</u>	<u>\$ 140,598</u>	<u>\$ 16,654</u>	<u>\$ -</u>	<u>\$ 16,654</u>

UNIFIED SCHOOL DISTRICT NO. 379
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Direct U.S. Department of Education					
Impact Aid (P.L. 81-874)	84.041	\$ -	\$ 41,820	\$ 41,820	\$ -
Total Direct U.S. Department of Education		-	41,820	41,820	-
Passed Through State Department of Education:					
Title I	84.010	-	187,962	187,962	-
Title VI - Special Education	84.027	-	597,058	597,058	-
Special Education - Preschool Grants	84.173	-	28,552	28,552	-
Title VI - State Assessments	84.369	-	110	110	-
Career & Technical Education - Basic Grants to State	84.048	-	75,000	75,000	-
Title IV Project Lead	84.287	65,007	404,652	457,459	12,200
Title II-A Teacher Quality	84.367	-	61,739	59,045	2,694
Total Passed Through State Department of Education		65,007	1,355,073	1,405,186	14,894
Passed Through State Department of Health and Environment:					
Infant Toddler	84.181	-	34,646	34,646	-
Total Passed Through State Department of Health and Environment:		-	34,646	34,646	-
Total Department of Education		65,007	1,431,539	1,481,652	14,894
<u>U.S. Department Health and Human Services</u>					
Passed Through State Department of Education:					
Youth Risk Behavior Survey	93.938	-	260	260	-
Total Department of Health and Human Services		-	260	260	-
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Breakfast	10.553	-	60,905	60,905	-
National School Lunch Program	10.555	-	314,850	314,850	-
Cash for Commodities	10.558	-	1,354	1,354	-
Team Nutrition Training Grant	10.574	-	250	250	-
Total Department of Agriculture		-	377,359	377,359	-
Total		\$ 65,007	\$ 1,809,158	\$ 1,859,271	\$ 14,894

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 379. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 379
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173 10.553, 10.555	Title VI - Special Education Cluster Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

UNIFIED SCHOOL DISTRICT NO. 379
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section II - Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education
Unified School District No. 379
Clay Center, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Unified School District No. 379, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 2, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated October 2, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Houser: Company PA

Certified Public Accountants

October 2, 2014
Lawrence, KS



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Unified School District No. 379
Clay Center, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 379, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mike Houser : Company PA

Certified Public Accountants

October 2, 2014
Lawrence, KS

